## TOP SLAST

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MEC BRIEFIEG

101

Ah Dulley many

DEITHER TIRROR RG TRIEBCO

Good deal with

- As yet, no significant interpretive Soviet comment which would give clue to policy in coming months. Press and radio have covered conference developments fully, but comment has been confined to statements of satisfaction over friendly atmosphere created at Geneva.
  - A. Bulgamin and Khrushchev stopped Berlin on way home, reaffirmed Soviet policy on Germany.
    - 1. Bulgamin "Any solution of German problem must take into consideration opinion" of both East and Best Germany. Progress toward unity depends on a "mutual approach between the two parts of Germany."
    - 2. Khrushchev (26 July) emphasized "political and social achievements" and "democratic reforms" of East Germany could not be abolished in any unified Germany.
  - B. Such statements intended to resoure nervous East German leaders about negotiations on Germany, either among four powers or in talks with Adenauer this fall.
  - c. Interesting to note that Ulbricht failed to appear at either of two recent visits Ehrushchev and Bulganin to Berlin.
    - 1. Ulbricht rumored falles into disfavor with Kremlin because his opposition Soviet policies.
    - time last year, was on vacation, although fact not 25 reported by East German press. No CHANGE IN CLASS.

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- CONFIDENTIAL

  (conclusion of Austrian treaty, evertures to Yugoslavia)

  wild hopes for Summit developments such as withdrawal

  Soviet troops from Sungary and Rumania, free elections,

  general neutralization.
  - A. No specific reports popular reaction to Summit yet received from any Satellite.
  - B. US legation Budapest, however, believes that feeling of depression is setting in among the Hungarian people, who had desperately pinned hopes on Summit.
    - 1. Legation cites Bulgania's "emphatic" rejection of Satellite status as subject for conference agenda, and final communiqué's failure mention this subject, as undoubtedly "great disappointment" to majority Hungarians.
    - 2. Legation believes "exaggerated pessimism" vill follow previous "unfounded optimism."
    - 3. UK legation Budapest has reported anti-British sentiment, stimulated by Eden's failure to support US stand on Satellites.
  - C. Among East German population, hopes not as extravagant an elsewhere in Satellites.
    - Just as German Commie leaders apprehensive over forthcoming visit Adenauer to Moscow, E. German people pinning most hopes there.

2 The Section

CORTOENTAL

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- Feople's Daily, which calls for "further efforts to develop the positive achievements" of Summit talks, but "deplores failure to discuss far Eastern questions."
  - A. Says "peoples of all countries understandably gratified"
    by results. "End atmosphere" of cold war changing,
    "beginning of new phase in relations among big powers;"
    (same phrase Prayda used). Geneva directive "cleared way
    for further discussion and solution of argent international
    questions."
    - I. However, failure to discuss Far Eastern issues "very regrettable," particularly lack of action on "Formosa situation and obstructions to carrying out Geneva agreements on Indochina..."
  - 3. Overall Chicom comment follows Soviet line in approving results of Summit talks but shows greater disappointment than have Soviets' in scanty attention paid to Far Eastern issues.
    - 1. Since international conference or conferences seem to offer Communists best opportunity for mobilizing political pressure against US on Far Eastern issues, ChiComs can be expected to keep idea alive, call for conference officially some time is next months.